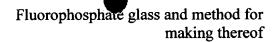
Application No.: 10/054,328 Express Mail: EB 031541227 US







THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application No.

10/054,328

5 Filing Date

20 JAN 2002

First Named Inventor

Alfred A. MARGARYAN

RECEIVED

Petition Examiner

Brian HEARN

JUL 2 6 2007

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Office Action Mailing Date : 25 APR 2007

OFFICE OF PETITIONS

Response Due Date

25 JUN 2007

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Renewed Petition under 37 CFR §1.137(b)

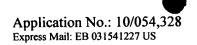
Mail Stop: **PETITIONS**Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

App. No.: 10/054,328

TO THE COMMISSIONER FOR PATENTS:

In reply to the dismissed petition mailed on 25 APR 2007, for which the period of response has been extended for one month to 25 JULY 2007, the Applicant(s) respectfully request the entry and consideration of the attached documents as a collective statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 C.F.R. §1.137(b) was unintentional.

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POWER OF ATTORNEY / ASSIGNEE OF RECORD:

The Office of Petitions stated that the power of attorney filed June 6, 2006 to prosecute patent application 10/054,328 on behalf of Nano Teknologies has not been accepted. The Office of Petitions further stated that the records show that this application has been assigned to another company and Nano Teknologies is no longer the current assignee. The Office of Petitions also stated that the statement under 37 C.F.R. §3.73(b) filed concurrently with the power of attorney fails to establish ownership in the application as Nano Teknologies is no longer the current assignee.

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Patent Agent Peter Ganjian was and continues to be the attorney of record for case 10/054,328 on behalf of AFO, Inc., which is the current assignee. The Petition statement filed under 37 C.F.R. §1.137(b) was filed for patent application 10/054,328 on behalf of AFO, Inc. by the attorney of record Patent Agent Peter Ganjian. Accordingly, it is respectfully requested that all future correspondence for case 10/054,328 be directed to the attorney of record Patent Agent Peter Ganjian.

REQUEST FOR RECONSIDERATION OF DISMISSED PETITION:

In dismissing the petition, the Office of Petitions states:

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"Petitioner has not shown to the satisfaction of the Director that the delay was unintentional under 37 C.F.R. §1.137(b). The statement of unintentional delay was made by attorney Peter Ganjian, who was not in a position to have firsthand or direct knowledge of the facts and circumstances of the delay at issue."

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The Office of Petitions is correct in stating that Patent Agent Peter Ganjian was not in a position to have firsthand or direct knowledge of the facts and circumstances of the delay at issue. However, Patent Agent Peter Ganjian merely executed and filed the Petition Form under 37 C.F.R. §1.137(b) and the statement of unintentional delay (as part of the Petition Form) on behalf of the Petitioner, as Petitioner's representative. The

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actual statement of unintentional delay printed on the Petition Form is that of the Petitioner, only. Accordingly, it is the Petitioner (the Applicant (Dr. Margaryan) and the new assignee (AFO, Inc.) with Mr. Illare as the Executive), with firsthand or direct knowledge of the facts and circumstances of the delay at issue that has made the statement of unintentional delay printed on the Petition Form (through Petitioner's representative who merely executed the Petition Form filed under 37 C.F.R. §1.137(b) on behalf of the Petitioner). Of course, if required by the Office, the Petitioner will gladly provide a new Petition Form PTO/SB/64 under 37 CFR 1.137(b) that is also executed (signed and dated) by the Petitioner rather than the attorney of record, Patent Agent Peter Ganjian.

The Office of Petitions further states:

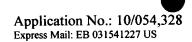
"Where the applicant permits a third party (whether a partial assignee, licensee, or other party) to control the prosecution of an application, the third party's decision whether or not to file a reply to avoid abandonment is binding on the applicant."

Petitioner hereby respectfully submits a copy of an EMPLOYMENT AGREEMENT as evidence that Mr. Jack J. Illare did <u>not</u> permit a third party to control the prosecution of the application. Further, Mr. Illare has never entered into an agreement with a third party for the third party to take control of the prosecution of an application.

The EMPLOYMENT AGREEMENT states under paragraph 1, "Term of Employment" that Mr. Jack J. Illare is the Executive as Chairman of the Board of Directors of Nano Teknologies, the then assignee of the patent application 10/054,328.

The EMPLOYMENT AGREEMENT states under paragraph 2, "Title and Duties" of the Executive (Chairman of the Board of Directors), on lines 5 to 8:

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"The Executive shall be responsible for day to day duties as well as all strategic planning with regards to the future growth of the company and shall have such other duties as to direct the [Board of Directors], in their strategic direction."

As further evidence of responsibilities of the Executive of the Nano Teknologies, the EMPLOYMENT AGREEMENT under paragraph 10 "Proprietary Rights" starting on page 7, lines 5 plus states:

"The Executive shall ...assist the Company for its own benefit in obtaining and enforcing patents ... upon request, the Executive shall execute all applications, assignments, instruments and papers and perform all acts (such as the giving of testimony in interference proceedings and infringement suits or other litigation) necessary or desired by the Company to enable the Company and its successors, assigns and nominees to secure and enjoy the full benefits and advantages of such Inventions."

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As evident from the EMPLOYMENT AGREEMENT, the record is clear that at least from the signing date of the EMPLOYMENT AGREEMENT on August 15, 2003 and onwards, it was Mr. Illare that was fully in charge of all company matters (including patents). Dr. Lindsey executed this agreement. The execution date of August 15, 2003 of the EMPLOYMENT AGREEMENT is at least four months before the Office Action mailing date of November 18, 2003, and more than a year before the notice of abandonment, which was mailed on July 1, 2004 for case 10/054,328.

As even further evidence, Petitioner hereby respectfully submits a copy of the MINUTES OF ANNUAL MEETING OF MEMBERS of the Nano Teknologies, LLC as evidence that Mr. Jack J. Illare was the Chairman and the Managing Director of Nano Teknologies, LLC.

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Accordingly, Mr. Illare was always in control of the prosecution of the patent application. No third parties were involved.

Besides Mr. Illare, the other party involved in (but not in control of) the prosecution of case 10/054,328 was Patent Attorney Dennis W. Beech, who functioned under the direction of the Applicant (Dr. Margaryan) and the then assignee (Nano Teknologies) with Mr. Illare as the Executive. Mr. Beech recently provided a letter (dated June 5, 2007) to the Petitioner stating all the facts within his personal knowledge regarding the case 10/054,328 and its prosecution history (at least in relation to the final rejection and the unintentional abandonment of the case). A copy of this letter and all documents mentioned therein are attached, and are incorporated herein by reference. As evident from the letter and all the documents provided by Mr. Beech, Mr. Beech was not in control of the prosecution of this case and functioned strictly under the direction and instruction of Nano Teknologies.

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As to Dr. Lindsey, Mr. Illare considered Dr. Lindsey's day-to-day activities with respect to patent matters as a "messenger," a "go-between," or a "liaison" between Mr. Beech and Mr. Illare. Dr. Lindsey was made the liaison to provide information to Mr. Illare regarding patent procedures because Dr. Lindsey was very knowledgeable about patents and patent proceedings. However, Mr. Illare and not Dr. Lindsey always made the final decision as to any patent matter as evident under the terms of the EMPLOYMENT AGREEMENT, which was signed by Dr. Lindsey himself.

The Petitioner hereby further respectfully submits a copy of two emails from Dr.

Lindsey to Mr. Illare, as evidence that Mr. Jack J. Illare did <u>not</u> permit a third party to control the prosecution of the application. Both correspondences are attached, and are herein incorporated by reference. In the email dated September 14, 2003 (prior to the Final Rejection of November 18, 2003), Dr. Lindsey informs about the resignation of two employees and states:

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"Just let me know what you would like me to do now. We will get it done."

As the tone and the thrust of the email of September 14, 2003 from Dr. Lindsey to Mr. Illare indicates, it was Mr. Illare that was in charge.

In that same correspondence, Dr. Lindsey further assures Mr. Illare that: "Our patents are in order as you requested...I am standing by"

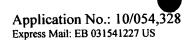
Please note that Mr. Illare as the Chairman and Managing Director of Nano Teknologies constantly requested updated information with respect to the status of the pending patent application and hence, the reason Dr. Lindsey states that "Our patents are in order as you requested..." Dr. Lindsey further stated "...Please remember that this process takes time and I will keep you informed as to the progress of the patents as we receive word..." Clearly, as a subordinate worker, Dr. Lindsey was supposed to provide report on the progress of the patents as he received word. As further indicated, Dr. Lindsey awaited further instructions from Mr. Illare by stating that he was "standing by" for further instructions from Mr. Illare regarding all patent matters and any other issue related to Nano Teknologies.

It should be clear from the EMPLOYMENT AGREEMENT and the attached correspondences form Mr. Beech and Dr. Lindsey that only Mr. Illare was the responsible party for handling all patent matters. No third parties were involved.

The Office of Petitions further states:

"Where the applicant deliberately permits an application to become abandoned (e.g., due to conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to justify continued prosecution), the abandonment of such application is considered to be deliberately chosen course of action, and the

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resulting delay cannot be considered as "unintentional" within the meaning of 37 C.F.R. §1.137(b)....An intentional course of action is not rendered as unintentional when, upon reconsideration, the applicant changes his or her mind as to the course of action that should have been taken..."

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It is respectfully submitted that obviously the Petitioner did not deliberately permit the patent application 10/054,328 to become abandoned. The applicant (Dr. Margaryan) and the then assignee (Nano Teknologies) with Mr. Illare as the Executive did not intend to abandon the patent application 10/054,328. In fact, this is particularly true in light of the fact that the U.S. Patent Examiner had indicated allowable subject matter in the patent application 10/054,328. There was absolutely no reason for or an intention of abandonment.

As has been stated above, Mr. Beech recently provided a letter (dated June 5, 2007) to the Petitioner stating all the facts within his personal knowledge regarding the case 10/054,328 and its prosecution history prior to and including the unintentional abandonment of the case. As evident from the letter and all the documents provided by Mr. Beech, Mr. Beech as the other party involved in the prosecution of this case had absolutely no intention of abandoning this application.

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As is clear from Mr. Beech's letter of June 5, 2007 and all the other documentations, Mr. Beech notified Dr. Lindsey about any Office Action or correspondence from the USPTO. In particular, Mr. Beech forwarded the Final Rejection from the USPTO by an enclosed letter on December 16, 2003, with a notice that a response was due by February 18, 2004. As stated therein the letter of June 5, 2007, when no instructions was received from the Applicant (Dr. Margaryan) and the then assignee (Nano Teknologies) with Mr. Illare as the Executive and through Dr. Lindsey acting as the liaison, a second letter was forwarded to both the inventor and Dr. Lindsey. Again, when no instructions were received from Nano Teknologies or any payments, a

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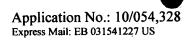
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reminder letter was forwarded on March 30, 2004 to both the inventor Dr. Margaryan and the known "representative" of Nano Teknologies. Clearly, Mr. Beech did everything possible in order to save the patent application from becoming abandoned. As is clear from the June 5, 2007 letter from Mr. Beech, every effort was made by this very competent and capable patent attorney to inform his client (Nano Teknologies) about the status of the case 10/054,328 to save the case from abandonment.

Regrettably, at the time of the first letter from Mr. Beech to Nano Teknologies (December 16, 2003), Dr. Margaryan was no longer part of Nano Teknologies. On April 28, 2002, Dr. Lindsay fired Dr. Margaryan from NANO Teknologies and therefore, Dr. Margaryan was no longer with the company and had no rights or no authorization to respond to any communications from Mr. Beech on the companies behalf.

Regarding Mr. Illare, as has been described herein and in the previously submitted SUPPLEMENTAL STATEMENT by Mr. Illare, every effort was made to properly file a 15 reply and continue prosecuting the patent application 10/054,328. Mr. Illare, as the Chairman and Managing Director of Nano Teknologies (the then assignee of the current case 10/054,328), exercised all his duties and responsibilities diligently. According to the EMPLOYMENT AGREEMENT under paragraph 10, "Proprietary Rights," Mr. Illare carried out his duties competently to obtain and enforce patent rights for his company. 20 He used Dr. Lindsey's knowledge of patents and patent proceedings by making Dr. Lindsey the liaison (a messenger) between Mr. Beech and himself. Dr. Lindsey with previous patent work experience knew Mr. Beech and used the services of his law firm. Mr. Illare and Mr. Beech did not know each other. Of course, as indicated above, Mr. Illare and not Dr. Lindsey always made the final decision as to any patent matter as 25 evidenced under the terms of the EMPLOYMENT AGREEMENT, which was signed by Dr. Lindsey himself, and the two emails from Dr. Lindsey to Mr. Illare.

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Regrettably, without authorization from the Executive Mr. Illare, Dr. Lindsey never informed Mr. Beech about Mr. Illare and Mr. Illare's responsibilities as the only decision maker with respect to all patent matters. This is clear from the continuous correspondences between Mr. Beech and Dr. Lindsey, rather than Mr. Beech and Mr.

Illare. Accordingly, Mr. Beech was not at all aware of Mr. Illare's existence or Mr. Illare's capacity as the Chairman and Managing Director with full authority who could authorize continued prosecution of case 10/054,328. As is clear from the letter of June 5, 2007 of Mr. Beech and all related attached documentation, Mr. Beech forwarded all correspondence and letters to Dr. Lindsey, and even to Dr. Margaryan who was no longer part of the company. However, Mr. Beech never mailed any documents to Mr. Illare. In particularly, Mr. Beech never mailed any documents or notices to the following official two mailing addresses of the Nano Teknologies (Please see the EMPLOYMENT AGREEMENT, paragraph 16):

15 For the Executive:

Jack J. Illare, III 4480 13th Place Vero Beach, FL 32966

For the Company:

1070 E. Indiantown Rd. Suite 400 Jupiter FL, 33477.

25 It is without a question that Mr. Beech would have forwarded copies of any documents to Mr. Illare if Mr. Beech was given the above two addresses and were aware of the fact that Mr. Illare was the only responsible party. After all, unknowingly, Mr. Beech forwarded copies of notices to Dr. Margaryan even though Dr. Margaryan was no longer part of the company, which placed all confidential and proprietary intellectual property matters of Nano Teknologies in jeopardy. Dr. Lindsey lied and never informed Mr. Beech about the <u>official</u> addresses of the company and about the employment status of Dr. Margaryan. Dr. Margaryan should have never been provided with any proprietary

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documents regarding the patent application 10/054,328 because he had assigned his right and interest of the patent to Nano Teknologies, and more importantly, he was fired and was no longer part of the company. Dr. Lindsey clearly placed all proprietary information of Nano Teknologies in jeopardy by not informing Mr. Beech about Dr. Margaryan's employment status with Nano technologies, and not providing Mr. Beech with the two *official* addresses of the company indicated above.

Nonetheless, documents forwarded to Nano Teknologies never reached Mr. Illare because of Dr. Lindsey's fraudulent acts. Dr. Lindsey breached his EMPLOYMENT AGREEMENT with Mr. Illare by providing a false address to Mr. Beech regarding correspondence between Mr. Beech and the Nano Teknologies. Dr. Lindsey falsely provided Mr. Beech with his own address as the "official" address of the company, which resulted in Mr. Beech forwarding correspondence to Dr. Lindsey rather than to Mr. Illare. Further, Dr. Lindsey completely blocked any communications and the knowledge of existence between Mr. Beech, Mr. Illare, and Dr. Margaryan, which was the reason Mr. Beech maintained all communications with the only apparent or perceived "known company representatives of Nano Teknologies, LLC" that he was aware, which according to the correspondences from Mr. Beech, were Dr. Margaryan (who was fired) and Dr. Lindsey (with an incorrect mailing address of Nano Teknologies).

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Mr. Illare was not aware of any requests or notices for instructions from Mr. Beech as is evident from the notices Mr. Beech forwarded to Dr. Lindsey and even Dr. Margaryan who was fired from his job, but none was forwarded to the *official* two addresses of Nano Teknologies. As seen from the letters or notices of Mr. Beech, all information from Mr. Beech was forwarded to the following two addresses:

Dr. Margaryan: P.O. box 1934 Glendale, CA 91209

30 Lonnie Lindsey:

16027 Brookhurst Street.

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Suite G. Fountain Valley, CA 92708-1551

Nothing was forwarded to the two <u>official</u> company addresses. Accordingly, as the only responsible party, Mr. Illare was not aware of any instructional requests with respect to patent matters from Mr. Beech so that Mr. Illare could carry on his duties as the only responsible party to respond to those requests from Mr. Beech. Clearly, this entire abandonment was unintentional and occurred because Dr. Lindsey abused, lied, and falsely assured the Executive and board of directors of Nano Teknologies (Mr. Illare) with respect to all patent matters, and did the same with Mr. Beech. Accordingly, Mr. Illare and Mr. Beech did everything possible to save the patent application from being abandoned, but Dr. Lindsey provided them both with false information.

As to Dr. Lindsey himself, the correspondence of September 14, 2003 from Dr.

Lindsey to Mr. Illare (attached) informs Mr. Illare that:

"Our patents are in order as you requested...."

Dr. Lindsey stated the above in response to the numerous requests from Mr. Illare about the status of the patent applications. Dr. Lindsey continued within this same email and stated:

"Our patents are in order as you requested, and we will be ready to get this company moving forward as soon as they are issued."

Of course, at the time this email was composed (September 14, 2003), the U.S. Patent Office had mailed out a first rejection of the case 10/054,328, and the case was far from issuance. Clearly, this fact was not communicated to Mr. Illare. However, what was further communicated to Mr. Illare in accordance with the email of September 14, 2003 was as follows:

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"Please remember that this process takes time and I will keep you informed as to the progress of the patents as we receive word."

As is apparent by now, no information regarding the progress of patents was communicated with Mr. Illare. Stated otherwise, Dr. Lindsey never even forwarded any of Mr. Beech's letters or notices to Mr. Illare, nor did he himself inform Mr. Illare about the status of the application.

As was stated in the SUPPLEMENTAL STATEMENT by Mr. Illare, Dr. Lindsey had embezzled several hundred thousand dollars from the company (of which Mr. Illare had invested \$ 1 million), but Dr. Lindsey did not even pay Mr. Beech for his services, which is the reason Dr. Lindsey never responded to communications from Mr. Beech. In particular, due to the theft of the company funds by Dr. Lindsey, Mr. Beech never received any funds for the payment of U.S. Patent Office fees as stated (on June 5, 2007 letter of Mr. Beech). As a further evidence of the theft, in the email of May 23, 2004 Dr. Lindsey writes to Mr. Illare:

"...I know you would like to get your \$ 1 million back..."

Mr. Illare had invested \$ 1 million dollars into Nano Teknologies, but did not wish to withdraw his investment. He believed in the company's products and the related intellectual properties. After all, all of Nano Teknology intellectual properties are now assigned to the new assignee, AFO, Inc., with Mr. Illare as the Chairman and President of the company. Mr. Illare continues to invest his time and money into AFO, Inc to develop and market the company intellectual properties as evidenced from this very petition.

Therefore, the only reason Dr. Lindsey writes about the monies invested by Mr. Illare is that Mr. Illare informed Dr. Lindsey about his knowledge of embezzlement of company

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funds. All Mr. Illare wished was the return of the embezzled money to be invested back into Nano Teknologies.

Dr. Lindsey continues in the email of May 23, 2004 and states:

"...I know you would like to get your \$ 1 million back, and I am going to suggest to you that I move forward with the sale of NanoTek IP rights."

Of course, there were no IP rights for Nano Teknologies (at least with respect to patent application 10/054,328) to sell. The case 10/054,328 had already been Finally Rejected on November 18, 2003 (when Dr. Lindsey composed the email on May 23, 2004), and the shortened statutory period for the Final had already ended on February 18, 2004, with no reply or extensions of time filed. In addition, as stated above, Dr. Lindsey was no longer in contact with Mr. Beech, despite Mr. Beech's best efforts to contact Dr. Lindsey and continue with the prosecution of this case. As further stated by Dr. Lindsey in that email on May 23, 2004 from Dr. Lindsey to Mr. Illare:

"I will continue on with getting the patents issued then marketing them as I discussed last March with you."

As is clear, Dr. Lindsey as the liaison between Mr. Illare and Mr. Beech blatantly lied. According to the correspondence from Mr. Beech at the time Dr. Lindsey composed this email, Dr. Lindsey was fully aware of the status of the patent application, but never inform Mr. Illare about it. According to the correspondences between Mr. Beech and Dr. Lindsey (all attached), Dr. Lindsey was fully aware of the following documented facts, but never informed Mr. Illare (as evident from the above passage):

- U.S. patent application received a final rejection on November 18, 2003.
- Statutory time limit for reply to Final rejection of November 18, 2003 ran out on February 18, 2004.

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- Only a month and a half remained under 37 CFR 1.136(a) for extensions of time
- No reply was even prepared for filing
- No payment of USPTO fees were provided to Mr. Beech

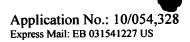
All the above had already occurred and Dr. Lindsey was fully aware of all the facts of the case and never informed Mr. Illare about any of the above. Instead, Dr. Lindsey stated, "I will continue on with getting the patents issued then marketing them as I discussed last March with you." The application 10/054,328 was nowhere near issuance. However, Dr. Lindsey did the opposite, and again falsely assured Mr. Illare that he would "continue on with getting the patents issued." In fact, without any indication of any grant of a patent from the U.S. Patent Office, Dr. Lindsey now assured Mr. Illare about "marketing them as I discussed last March with you."

Clearly, Mr. Illare was not informed and had no idea about the status of the patent application 10/054,328, despite Mr. Illare's relentless requests about it. The only information Mr. Illare had from Dr. Lindsey is that he would continue with getting the patents, which was a false assurance that the company's IP rights were not in jeopardy.

It is clear that Dr. Lindsey abused, lied, and falsely assured the Executive and board of directors of Nano Teknologies (Mr. Illare) with respect to all patent matters, which in turn, caused the unintentional abandonment of the application. Accordingly, in view of Dr. Lindsey's actions, it is respectfully submitted that the abandonment of the application should be viewed as unintentional by the Applicant (Dr. Margaryan) and the then assignee (Nano Teknologies) with Mr. Illare as the Chairman and Managing Director in charge of all patent matters.

As has been stated in the SUPPLEMENTAL STATEMENT and evidenced from the letter of Dr. Lindsey to Mr. Illare, Mr. Illare relentlessly requested information about patent matters from Dr. Lindsey and hence, the reason Dr. Lindsey stated in the letter of

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September 14, 2003 that "Our patents are in order as your requested...Please remember that this process takes time and I wil keep you informed as to the progress of the patents as we receive word."

Further, as was also stated therein the SUPPLEMENTAL STATEMENT submitted with the petition (and the emails from Dr. Lindsey and the letters from Mr. Beech), Dr. Lindsey committed fraud, falsified documents, lied, and did not provide correct contact information to Mr. Illare (or Mr. Beech) so that both Mr. Illare and Mr. Beech could make the correct decision with respect to this patent application. That is, for Mr. Illare to continue prosecution of the case and Mr. Beech to not forward proprietary information to a former employee, Dr. Margaryan, and instead, mail information to the *official* addresses of the company.

As was stated in the SUPPLEMENTAL STATEMENT (and the attached emails from Dr. Lindsey), Dr. Lindsey always falsely assured Mr. Illare that all patent matters 15 was moving forward with no problems during the entire prosecution of the application. In fact, Mr. Illare was not even informed about the rejection, finally rejection, and the abandonment of the patent application, despite numerous attempts by Mr. Beech informing the company liaison (messenger) Dr. Lindsey about this matter. Again, Dr. 20 Lindsey (as the liaison a messenger or a go-between) lied and never informed Mr. Illare about the status of the patent application (as per the attached emails from Dr. Lindsey to Mr. Illare), just as he did not inform Mr. Beech about the employment status of Dr. Margaryan or the official mailing addresses of Nano Teknologies. As is clearly stated by Dr. Linsdsey himself in the second correspondence on May 23, 2004, which was two 25 months prior to the complete abandonment of the patent application with no more extensions of times remaining under 37 CFR 1.136(a):

"I will continue on with getting the patents issued then marketing them as I discussed last March with you."

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This statement was made on May 23, 2004 after the Final rejection of November 18, 2003, and the shortened statutory time to reply that ended on February 18, 2004, but before the application was completely abandoned only less than two months later on July 1, 2004. According to this email, Dr. Lindsey never once mentioned the status of the application (which was under Final Rejection), or the eminent abandonment of the case if no extension of time is obtained and no reply is filed. This is despite his full knowledge of the pending status of the case due to all the correspondences he received from Mr. Beech. In fact, Dr. Lindsey insinuated the opposite. According to the email, he was falsely assuring Mr. Illare about marketing the patents that were far from issuance, and were in fact, headed for eminent abandonment.

Clearly, neither Mr. Illare nor Mr. Beech nor the Applicant Dr. Margaryan intended for the patent application to become abandoned and hence, the application was unintentionally abandoned through no fault of any responsible party.

The Applicant(s) respectfully request the entry and consideration of all attached documents as a collective statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 C.F.R. §1.137(b) was unintentional, and respectfully solicit the granting of the petition pursuant to 37 C.F.R. §1.137(b).

25 Date

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PETER GANJIAN Registered Patent Agent Registration No. 43991

PETER GANJIAN 30 1-818-248-1465 (Bus.) 1-818-248-7359 (Fax.)

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EMPLOYMENT AGREEMENT

JUL **2 6** 2007

OFFICE OF PETITIONS

THIS EMPLOYMENT AGREEMENT, made as of August 15, 2003 by and between Nano Teknologies, LLC., a Florida Limited Liability Company (the "Company"), and Jack J. Illare III (the "Executive");

WITNESSETH THAT:

WHEREAS, the Company desires to employ the Executive as an executive officer on the terms hereinafter set forth and the Executive wishes to be so employed;

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive hereby agree as follows:

- Term of Employment. The Company agrees to employ the Executive as Chairman 1. of the Board of Directors, responsible for the supervision and direction of the executive officers and the [Board of Directors] of the Company, for a term commencing upon the 15th day of August, 2003 and continuing thereafter until terminated pursuant to Section 6 hereof.
- Title and Duties. The Executive agrees during the term of this Agreement to 2. devote his skill and efforts to the performance of his duties, faithfully and to the best of his abilities to serve the Company, for the compensation provided for herein. Such duties shall be ordinarily performed by the Executive at his home office in Vero Beach, Florida, until the company provides an alternative office in Vero Beach, Florida or its surrounding areas. The Executive shall be responsible for day to day duties as well as all strategic planning with regards to the future growth of the company and shall have such other duties as to direct the [Board of Directors], in their strategic direction.
- Compensation. For all services rendered by the Executive to the Company, the 3. Company shall pay to the Executive the compensation and other benefits set forth in this Section 3.
- Salary. During the year ended December 31, 2003, the Company shall pay (a) to the Executive a salary at the rate of \$ 200,000.00 per annum (as in effect from time to time, the "Base Salary"). Thereafter, during each of the subsequent years of employment hereunder, the

Company shall pay to the Executive a 5% raise based on the previous year salary amount. Salary payable to the Executive hereunder shall be paid in equal installments, semi-monthly. Salary shall commence upon the raising of at least \$1,000,000.00 by the company after the date of this contract. In the event that Company is merged or acquired, or if an amount of greater than 50% ownership changes hands, Executive shall have the option to stay with new management team under new negotiated terms or leave with an amount equal to two years salary, according to the terms of the contract, being paid to him as severance.

- (b) Bonus. In addition to the Base Salary, the Company shall pay to the Executive and the Executive shall be entitled to receive, if due, a bonus for the 12 month period ending in December of any year, which bonus shall be determined and paid as described in the document entitled "Incentive Plan for Nano Teknologies LLC.", provided that Executive has continued in the employ of the Company throughout the year. The Executive shall also be eligible to participate, in the Company's discretion, in any other management incentive plan to be adopted by the Board for executives of similar position, which may provide for additional payments contingent on achievement by the Company of specific rates of return on certain net assets of the Company, all on terms and conditions to be set forth in a definitive plan adopted by the Board of Directors of the Company.
- (c) <u>Benefits</u>. The Company agrees that it will provide health and dental insurance for Executive and his wife and children. Furthermore, it is agreed that the company shall obtain a Directors and Officers Insurance Policy that will adequately cover Executive in his actions.
- 4. <u>Expenses</u>. Executive shall be entitled to be fully reimbursed for reasonable expenses incurred by him in the performance of his duties hereunder, and the Company will, from time to time, reimburse him for all such reasonable expenses upon presentation of a written itemized account thereof together with such vouchers, receipts and other evidence of such expenses as the Company may reasonably deem to be necessary. The Company will also set up a Vero Beach, Florida office for the Executive to conduct business in. Office shall be equipped accordingly.

- 5. <u>Vacations</u>. The Executive shall be entitled each year to two (2) weeks paid vacation time.
 - 6. Termination.
- (a) <u>Definitions</u>. For purposes of this Section, the following terms shall have the meaning ascribed thereto:
- (i) "Cause" shall mean any action or inaction by Executive which in the reasonable determination of the Board of Directors constitutes (1) fraud, embezzlement, or misappropriation of funds of the Company; (2) conviction of a felony involving moral turpitude; or (3) a failure by Executive to materially perform, or a material breach of, Executive's obligations under this Agreement (other than as the result of Executive's Disability), which failure, if curable, has not been cured by Executive within 30 days after written notice from the Company to the Executive of such failure and which failure has a material adverse effect upon the Company.
- (ii) "Disability" shall mean physical or mental disability, or combination thereof, which, in the good faith judgment of the Board of Directors, renders the Executive incapable of performing the Executive's duties hereunder for a cumulative period of one hundred eighty (180) days in any consecutive twelve month period.
- (iii) "Good Reason" shall mean (1) any substantial reduction in the Executive's current duties and responsibilities, (2) any material breach by the Company of any of the terms of this Agreement, including, without limitation, any reduction in the Executive's compensation hereunder, or (3) any sale (whether effected by means of stock sale, asset sale, merger, joint venture or otherwise) of the Company or more than 50% thereof to any other party.
- (b) <u>Events of Termination</u>. This Agreement shall automatically terminate upon the happening of any of the following events:

- (i) Upon one (1) calendar month prior written notice of termination by the Company to the Executive;
 - (ii) At the end of any calendar month in which the Executive dies;
- (iii) Upon written notice by the Company to the Executive or the Executive's personal representative upon the Executive's Disability;
- (iv) Upon written notice given by the Executive to the Company of termination without Good Reason;
- (v) Upon written notice of termination by the Company to the Executive for Cause.
- (vi) Upon notice given by the Executive to the Company of termination with Good Reason.
- (vii) Upon written notice of termination by the Company to the Executive without Cause.

7. Effect of Termination.

- (a) In the event of any termination under paragraphs (i), (ii), (iii) or (iv) of Section 6(b), the Company shall pay to the Executive or his estate all salary, bonuses and benefits to which the Executive is entitled pro-rata through the end of the month in which such termination becomes effective (in the case of termination under paragraph (ii)) or occurs (in the case of termination under paragraph (iii), (iii) or (iv)).
- (b) In the event of any termination under paragraph (v) of Section 6(b), the Company shall pay to the Executive his salary pro-rata through the date of such termination and the Company shall have no further obligation to the Executive hereunder.
- (c) In the event of any termination under paragraph (vi) or (vii) of Section 6(b), the Company shall continue to pay to the Executive all salary, bonuses and benefits to which the

Executive is entitled pro-rata through the period ending on the date that is two (2) calendar months following the date of termination and shall pay to the Executive on the date of termination all bonuses which have previously been earned by the Executive but not yet paid to the Executive, notwithstanding any provisions in any bonus plan to the contrary.

- 8. Restrictive Covenants of the Executive During the term of this Agreement and for a period of twelve (12) months from the date on which the Executive's employment with the Company terminates, the Executive covenants and agrees that he shall not do any of the following anywhere in the world:
- (a) Either directly or indirectly, whether as a principal, agent, employee, consultant, stockholder, partner or in any other capacity, engage in or have a financial or any other interest in any corporation, firm, partnership, proprietorship or other business entity or enterprise which competes directly with the business of the Company as it is presently conducted or as it is conducted at the time the employment of the Executive with the Company terminates; provided, however, that nothing contained herein shall preclude the Executive from purchasing or owning less than ten percent (10%) of the stock or other securities of any company with securities traded on a nationally recognized securities exchange;
- (b) induce any employee or consultant of the Company to join with him in any capacity, whether direct or indirect, in any such competing business in which he may be or become interested or employed; or
- (c) solicit any customer or supplier of the Company in competition with the Company.

If any part of this Section 8 shall be determined by a court of competent jurisdiction to be unreasonable in duration, geographic area or scope, then the provisions of this Section are intended to and shall extend only for such period of time, in such area and with respect to such activities as shall be determined by such court to be reasonable and all provisions hereof shall be applied to the fullest extent permitted by law.

9. Non-Disclosure of Confidential Information.

- (a) The Executive shall not during the term of this Agreement or at any time following termination of his employment hereunder intentionally or negligently disclose to any person, firm or corporation any confidential or proprietary information acquired by him during the course of his employment relating to the Company except in the course of performing his duties for the Company. Such confidential and proprietary information shall include, but shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, formulae, contractual information, pricing policies, the substance of agreements and arrangements with customers, suppliers and others, names of accounts, customer and supplier lists and any other documents embodying such confidential and proprietary information.
- (b) All information and documents relating to the Company shall be the exclusive property of the Company, and the Executive shall use his best efforts to prevent any publication or disclosure of such information and documents. Upon termination of the employment of the Executive with the Company, the Executive shall not take from and will promptly return to the Company all documents, records, customer lists, computer programs, equipment designs, technical information, reports, writings and other similar documents containing confidential or proprietary information of the Company, including copies thereof, then in the Executive's possession or control.
- 10. Proprietary Rights. Any and all inventions, processes, procedures, systems, discoveries, designs, configurations, technology, works of authorship (including but not limited to computer programs), trade secrets and improvements (whether or not patentable and whether or not they are made, conceived or reduced to practice during working hours or using the Company's data or facilities) (collectively, the "Inventions") which the Executive makes, conceives, reduces to practice, or otherwise acquires during his employment by the Company or its affiliates (either solely or jointly with others), and which are related to the Company's present or planned business, services or products, shall be the sole property of the Company and shall at all times and for all purposes be regarded as acquired and held by the Executive in a fiduciary capacity for the sole benefit of the Company. All Inventions that consist of works of authorship capable of protection under copyright laws shall be prepared by the Executive as "works made for

hire", with the understanding that the Company shall own all of the exclusive rights to such works of authorship under the United States copyright law and all international copyright conventions and foreign laws. The Executive hereby assigns to the Company, without further compensation, all such Inventions and any and all patents, copyrights, trademarks, trade names or applications therefore, in the United States and elsewhere, relating thereto. The Executive shall promptly disclose to the Company and to no other party all such Inventions and shall assist the Company for its own benefit in obtaining and enforcing patents and copyright registrations on such Inventions in all countries. Upon request, the Executive shall execute all applications, assignments, instruments and papers and perform all acts (such as the giving of testimony in interference proceedings and infringement suits or other litigation) necessary or desired by the Company to enable the Company and its successors, assigns and nominees to secure and enjoy the full benefits and advantages of such Inventions.

- Right to Injunction. The Company and the Executive each acknowledge that the services to be performed by the Executive hereunder are unique and that the Company required the Executive to enter into this Agreement as a condition to his employment by the Company. The Executive specifically acknowledges and agrees that the restrictions imposed by Sections 8 and 9 are reasonable as to duration, geographic area and scope and are necessary for the protection of the interests of the Company. Any breach or threatened breach of any provision of this Agreement by the Executive shall entitle the Company, in addition to any other remedies available to it at law or in equity, to bring an action in any court of competent jurisdiction to enjoin any such breach or threatened breach and to obtain an order temporarily or permanently enjoining any such breach or threatened breach.
- 12. <u>Required Withholdings</u>. All amounts due from the Company to the Executive hereunder shall be paid to the Executive net of all taxes and other amounts which the Company is required to withhold by law.
- 13. <u>Assignment</u>. With the exception to Executives stock option as explained in section 3(a), this Agreement shall not be assignable by the Executive.

- 14. Waiver: Amendment and Alteration. The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any prior or subsequent breach thereof. No amendment or alteration of the terms of this Agreement shall be valid unless made in a writing signed by both parties to this Agreement specifically referring to this Agreement.
- 15. Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to choice or conflict of law principles. The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.
- 16. Notices. Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand, by courier, by facsimile, or sent by certified mail, return receipt requested, prepaid, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other and shall be deemed given as of the date of the delivery if delivered by hand, by facsimile or by courier or, if mailed, seven (7) days after the date of mailing.

If to the Executive: Jack J Illare III
4880 137 Place
Vero Reach FL 37966

If to the Company:

NANO TEKNOLOGIES L.L.C.

1070 E Tudicatown Rd. Suite 400

Dupiter FL 33477

Attention:

17. Entire Agreement and Binding Effect. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns and legal representatives.

18. <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and in pleading or proving any provision of this Agreement it shall not be necessary to produce more than one of such counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement, under seal, as of the date first written above.

Lonnie Lindsey

NANO TEKNOLOGIES L.L.

Its: PRESIDENT



Nano Teknologies CLC

The annual Meeting of Members of the above-captioned Company was held on the date and at the time and place set forth in the written Waiver of Notice signed by the Members, fixing such time and place, and prefixed to the minutes of this meeting.

There were present the following members:

Names	of Members
	NA ATABLEMENT

Interest in Company

9-15-03 Jack J. Illare III Connie Lindsey

Chairman + Managing Director
President + Secretary

The Chairman then stated that all of the Members of the Company were represented.

The Operating Manager presented his annual report and, after discussion, the report was accepted and ordered filed with the Secretary.

The Chairman noted that it was in order to consider electing managers for the ensuing year. Upon nominations duly made and seconded, the following were unanimously elected managers of the Company, to serve for the ensuing year and until their successors are elected and qualified:

Operating Manager :

Secretary

Treasurer

Connie Lindsey" <lonnlelindsey@msn.com> 🖼 View Contact Details 📲 Add Mobile Alert

jack@j3partners.com

lonnielindsey@msn.com

RECEIVED

Subject: DONE!

JUL 26 2007

Date: Sun, 14 Sep 2003 20:41:49 -0700

OFFICE OF PETITIONS

Dear Jack,

I received Randy and Phil's resignations today as managing members with no terms and conditions.

Now the ball is in our court. Just let me know what you would like me to do now. We will get it done. Our patents are in order as you requested, and we will be ready to get this company moving forward as soon as they are issued. Please remember that this process takes time and I will keep you informed as to the progress of the patents as we receive word.

I am standing by.

Warm regards,

Lonnie

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https://broadband.msn.com

rom: "Lonnie Lindsey" <lonnielindsey@msn.com> ඕView Contact Details ම Add Mobile Alert

To: jbotz34@yahoo.com, jack@j3partners.com

Subject: Nano Tek Update

Date: Sun, 23 May 2004 03:30:32 -0700

Hey Jack,

I hope this finds you well. I am just touching base with you to ask about the Nano Tek assets.

I will be going back to California in a few weeks to tidy up the items in storage there. I have a large amount of paper (files and research backgrounds) on Nano Tek. I will throw it all away unless I hear from you.

I will be in transition once again by the end of June. I assume by your silence over the past two months that you are upset with me. This is ok with me. I know you would like to get your \$1million back, and I am going to suggest to you that I move forward with the sale of NanoTek IP rights. Would you like a say about the price, or would you just trust me to get the best deal? I will continue on with getting the patents issued then marketing them as I discussed last March with you. I am trying to at least get you back your money.

Warm Regards,

Lonnie Lindsey
423-357-2376 until June 15
then email only weekly.

Stop worrying about overloading your inbox - get MSN Hotmail Extra Storage!

http://join.msn.click-url.com/go/onm00200362ave/direct



Mailing Address:

Law Offices of Dennis W. Beech P.O. Box 519 Murrieta, CA 92564 Telephone (951) 894-1581 Fax: (951) 894-1049 Huntington Beach (714) 378-0212 Palmdale/Lancaster (661) 273-0503 Brea/Ontario (909) 986-4624 Bakersfield (661) 821-6911 Fax (951) 894-1049

EM050562635US

June 5, 2007

Jack Illare 1401 Sourth A1A, Suite 101 Vero Beach, FL 32963

Re:

U.S. Patent Application No. 10/054,328

RECEIVED

JUL 26 2007

OFFICE OF PETITIONS

Dear Mr. Illare:

The following facts are within my personal knowledge and are provided for your information.

I was the attorney of record representing Alfred A Margaryn, the Inventor, and NANO TECHNOLOGIES, LLC., the Assignee, regarding U.S. Patent Application No. 10/054,328.

When my office received the Final Rejection concerning the subject patent application it was forwarded by letter to the Inventor on or about December 16, 2003, with a notice that a response was due by February 18, 2004.

When we did not receive instructions for how to proceed with the patent application, a second letter was forwarded on or about January 29, 2004, to both the Inventor and the Assignee represented by Mr. Lonnie Lindsey with whom I had corresponded previously and from whom I had received direction for prior patent prosecution work.

When we had not received instructions for how to proceed or payment to pay extension of time fees to respond to the Final Rejection, a reminder letter was forwarded on or about March 30, 2004, to the Inventor and known company representatives of Nano Technologies, LLC.

I was not provided instructions on the manner to proceed with the prosecution of the patent application nor were fees for payment to the U.S. Patent Office received; therefore, no further action on this application was taken.

Jack Illare June 5, 2007 Page 2

Finally a Notice of Abandonment was received from the U.S. Patent Office that was forwarded to the Inventor and Assignee at their last known addresses on or about July 8, 2004.

Recently I was informed by Mr. Jack J. Illare, III that there was no response as Mr. Lindsay had fired everyone and left the United States. According to Mr. Illare, III he was the only Board of Director remaining in the company, Nano Technologies, LLC.

It is my understanding, based on a copy of a Petition for Revival mailed April 25, 2007, by the U.S. Patent and Trademark Office that copies of the letters referenced above were provided to the U.S. Patent Office.

Very truly yours,

DENNIS W. BEECH

DWB/ab

,4



Landmark Building - Newland Center 19900 Beach Blvd., Suite C-2 Huntington Beach, CA 92648 BUS: (714) 378-0212 FAX: (714) 378-0262

RESPOND TO: HUNTINGTON BEACH

Meridian B 1007 West Avenue M-14, Sui Palmdale, California BUS: (805) 27

FAX: (714) 37

December 16, 2003

Alfred Margaryan P.O. Box 1934 Glendale, CA 91209

RECEIVED

RE:

Patent Application No. 10/054,328

JUL 26 2007

Dear Mr. Margaryan:

OFFICE OF PETITIONS

We are forwarding you a copy of the Examiner's Action for your review and comment.

In the case of the last portion that rejects claims, review the examiner's reasons for rejection along with the cited patents as compared to your patent idea. Make notes of any differences and arguments you may have as to why you new basis for rejection the Examiner's Action can be argued if you have valid unique, non-obvious features. However condition for allowance.

If it is believed that the Examiner's rejection is incorrect and can be argued in an appeal the appeal should be filed as quickly as possible in order to save as much time for the term of the patent if issued. Since there is a twenty (20) year life for a utility patent under current laws, any appeal may toll such running of time until the appeal is resolved (up to 5 years). In addition if new matter should be added, we should file a Continuation in Part (CIP) Application as soon as

The examiner has made some preliminary statements concerning commonly use methods. Please review this examiner's assumption and provide comments. There are also claim rejections regarding the ranges on pages 2 through 4 that we will need to provide a response. The examiner objection to new matter on pages 2 and 3 need to need to file a CIP application.

Once you have your thoughts organized, please contact our office to make an appointment to discuss this. We should try and answer as early as possible. If you do not answer by **February 18, 2004** additional fees will be required by the Patent Office. The estimated attorney fees for this Office Action are \$1,200.00 to \$1,500.00.

I have also included the Notice of the granting of the petition to make this application special.

If you have any questions do not hesitate to contact me.

Very truly yours,

DENNIS W. BEECH

DWB/ab Enclosure



Landmark Building - Newland Center 19900 Beach Blvd., Suite C-2 Huntington Beach, CA 92648 BUS: (714) 378-0212

BUS: (714) 378-0212 FAX: (714) 378-0262

RESPOND TO: HUNTINGTON BEACH

Meridien Buildi 1007 West Avenue M-14, Suite C-Palmdale, California 935 BUS: (805) 273-05 FAX: (714) 378-02

January 29, 2004

Alfred Margaryan P.O. Box 1934 Glendale, CA 91209

Lonnie Lindsey 16027 Brookhurst Street, Ste. G Fountain Valley, CA 92708-1551 RECEIVED

JUL 26 2007

OFFICE OF PETITIONS

RE:

Patent Application No. 10/054,328

Dear Mr. Margaryan:

Enclosed is a copy of the letter forwarded to you on December 16, 2003 regarding your patent

If you wish to respond, but do not do so until after February 18, 2004, you must pay additional fees. If you do not respond by May 18, 2004 your application will be considered abandoned by the Patent Office.

If you have any questions do not hesitate to contact me.

Very truly yours,

DENNIS W. BEECH

DWB/ab Enclosure



Landmark Building - Newland Center 19900 Beach Blvd., Suite C-2 Huntington Beach, CA 92648 BUS: (714) 378-0212

FAX: (714) 378-0262

RESPOND TO: HUNTINGTON BEACH

Meridien Building 1007 West Avenue M-14, Suite C-10 Palmdale, California 93551 BUS: (805) 273-0502

RECEIVED

JUL 2 6 2007

OFFICE OF PETITIONS

FAX: (714) 378-0262

March 30, 2004

Alfred Margaryan P.O. Box 1934 Glendale, CA 91209

Lonnie Lindsey 16027 Brookhurst Street, Ste. G Fountain Valley, CA 92708-1551

RE:

Patent Application No. 10/054,328

Dear Mr. Margaryan:

Enclosed is a copy of the letter forwarded to you on January 29, 2004 regarding your patent application.

If you do not respond by May 18, 2004 your application will be considered abandoned by the Patent Office.

In order to respond after the date of abandonment, you must petition the patent office for consideration concerning the failure to respond in a timely manner. The Patent Office may or may not grant your petition depending on whether good cause for failure to respond can be shown. To file the petition additional fees must be paid.

If you have any questions do not hesitate to contact me.

Very truly yours,

DENNIS W. BEECH

DWB/ab Enclosure

CC:

Randy Lulasik

Nano Technologies, LLC 1070 E. Indian Town Road

Jupiter, FL 33477



Landmark Building - Newland Center 19900 Beach Blvd., Suite C-2 Huntington Beach, CA 92648

Bus: (714) 378-0212 Fax: (714) 378-0262

RESPOND TO: HUNTINGTON BEACH

Palmdale/Lancaster: (661) 273-050

Temecula/Murrieta: (909) 986-462. Brea/Ontario: (909) 986-462.

Bakersfield: (661) 821-691

Fax: (714) 378-026:

July 8, 2004

Alfred Margaryan P.O. Box 1934 Glendale, CA 91209

Lonnie Lindsey 16027 Brookhurst Street, Ste. G Fountain Valley, CA 92708-1551 RECEIVED

JUL 26 2007

OFFICE OF PETITIONS

RE:

Patent Application No. 10/054,328

Dear Mr. Margaryan and Mr. Lindsey:

Enclosed please find a copy of the Notice of Abandonment for your patent application. The application was abandoned due to failure of response to the Office Action dated November 18, 2003. Please retain this for your files.

In order to respond after the date of abandonment, you must petition the patent office for consideration concerning the failure to respond in a timely manner. The Patent Office may or may not grant your petition depending on whether good cause for failure to respond can be shown. To file the petition additional fees must be paid.

If you have any questions do not hesitate to contact me.

¥ery truly yours,

DENNIS W. BEECH

DWB/ab Enclosure